

**College of Agriculture & Life Sciences (CALS) – NC State  
2016 Budget Impacts Update - (16031 & 16032 Funds)  
November 29, 2016**

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# State Appropriations for CALS

**Academic**

(16030)

\$20.0M

**Extension**

(16031)

\$37.8M

**Research**

(16032)

\$51.0M

**CALS State Appropriations  
(FY15-16, 3 sources = \$108.8M)**

# Importance of Research (16031) and Extension (16032) Support

Provides support and infrastructure for research and Extension activities statewide

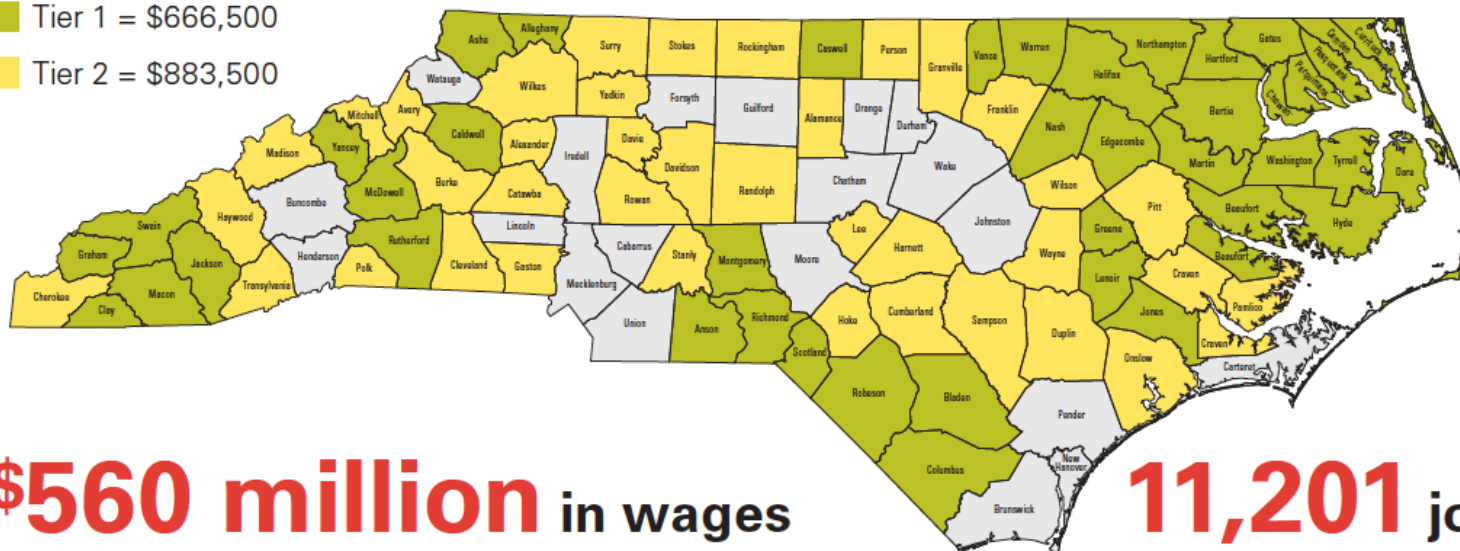
- > Cooperative Extension personnel in all 100 counties
- > Support for 18 research stations and field operations located throughout the state (Partnership with NCDA & CS)
- > Faculty, staff, student support on-campus
- > Critical source of information for agricultural, youth, and community stakeholders
- > Helps stimulate our agricultural economy
  - > **\$1** invested in research/Extension = **~\$20** return to economy

# Research Impact: 4 Crop Example

**\$1.55 billion** in total impact for rural North Carolina

■ Tier 1 = \$666,500

■ Tier 2 = \$883,500



**\$560 million** in wages

**11,201** jobs

**Rural North Carolina Depends on Our Research**

NC State-Related Flue-Cured Tobacco Production  
NC State Sweet Potato Varieties

NC State Peanut Varieties  
NC State Blueberry Varieties

# Importance of Research (16031) and Extension (16032) Support

Most important financial resource for recurring support of research and outreach activities – **INFRASTRUCTURE**

- > Helps supplement and make us competitive for additional research and Extension funding received by the college
- > Helps supplement fund-raising activities by the college so that we can meet the needs of our stakeholders and take advantage of agriculture-growing opportunities

# “Total” Budget vs. “Programmatic” Budget

*Let's assume we start with a \$100M budget (Year 1)*

College has 2% management flex cut	(-\$2M)
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Cooperative Extension loses county match	<u>(-500K)</u>
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<b>Programmatic effect (Year 2)</b>	<b>-\$2.5M</b>
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State provides 2% for salary increases	(+\$2M)
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**“Total” funding is the same (100M) for year 1 & year 2**

**“Programmatic” funding is 100M (year 1) & 97.5 M (year 2)**

# State Appropriations: 16031 and 16032

## 16031 Budget

Fiscal Year	16031 (Research) Total Appropriated Budget	16031 (Research) Programmatic Impact
2010/2011	56.2M	54.9
2015/2016	51.0M	46.4
<b>Difference</b>	<b>-5.2M (9.3%)</b>	<b>-8.5M (15.5%)</b>

## 16032 Budget

Fiscal Year	16032 (Extension) Total Appropriated Budget	16031 (Extension) Programmatic Impact
2010/2011	41.6M	40.4
2015/2016	37.8M	32.6
<b>Difference</b>	<b>-3.8M (9.3%)</b>	<b>-7.8M (19.3%)</b>

# Impacts to Personnel: 16031 and 16032

## On-Campus Impacts (11.8% reduction)

Fiscal Year	TT Faculty	NTT Faculty	Staff	Administration
2010/2011	300*	80	1018	31
2015/2016	269	67	904	21
<b>Difference</b>	<b>-31</b>	<b>-13</b>	<b>-114</b>	<b>-10</b>

\*does not take into account 44 faculty members moved to College of Sciences

## Off-Campus Impacts (23.8% reduction)

Fiscal Year	Extension Field Staff	Research Station Staff
2010/2011	465	68
2015/2016	362	44
<b>Difference</b>	<b>-133</b>	<b>-24</b>



# Year to Date (2016-17) Continuing Impacts to State Research Funding (16031)

FY2017 State Budget Actions	Total Budget Impact	Programmatic Impact
1.5% Legislative Salary Increase and Benefits	+\$654,582	+\$0
Correction	+10,000	+0
Management Flex Budget Reductions	-1,103,933	-1,103,933
Total	-\$469,351	-\$1,103,922

# Year to Date (2016-17) Continuing Impacts to State Extension Funding (16032)

FY2017 State Budget Actions	Total Budget Impact	Programmatic Impact
1.5% Legislative Salary Increase and Benefits	+\$553,313	+\$0
Correction	-12,807	+0
Management Flex Budget Reductions	-818,487	-818,487
Total	-\$277,981	-\$818,487

# Other Considerations

- > State budget reductions for 16031 and 16032 funding are higher compared to budget reductions for 16030 (Academic Program) funding as the latter includes tuition revenues.
- > In addition, through a legislative directive in 2014-15, NC State was required to redirect **\$2,253,237** to support the research effort at Kannapolis - resulting in reduction for on-campus and off-campus research programs (16031 funding only).

# Impacts to NC Agriculture

Even with interventions in place, decreases in 16031 and 16032 funding has had the following impacts:

Less ability to:

- > work with farmers in rural community and grow our economy
- > support agricultural, youth (4H, FFA) and communities
- > create and deliver community-based educational programs
- > support research projects at research stations (CALS/NCDA)
- > study new agricultural products and technologies
- > produce the human talent (students) for our future

# What has the college done to offset reductions and be more efficient?

## > **College restructuring**

- > Reduced administration by 35%, enhanced efficiency

## > **Cooperative Extension re-organization**

- > Broad state-wide effort
- > Focus areas: 4H-youth, Agriculture-Food, Communities
- > Statewide equation to provide support in most needed areas (Co. population, # farms, Ag receipts – requires 50% Co. match)
- > Regional, cross-county, support in core areas

## > **Enhanced leveraged funding**

- > Competitive grants – increased by 50% in last 4 years
- > Fundraising – doubled in the past 4 years

A man wearing a blue and white striped short-sleeved shirt, dark pants, and a dark baseball cap stands in a field of green crops. He is seen from the back, with his hands on his hips, looking out over the field towards a sunset. The sky is filled with soft, pinkish-orange clouds. The foreground is filled with the dense green leaves of the crops.

# Questions?